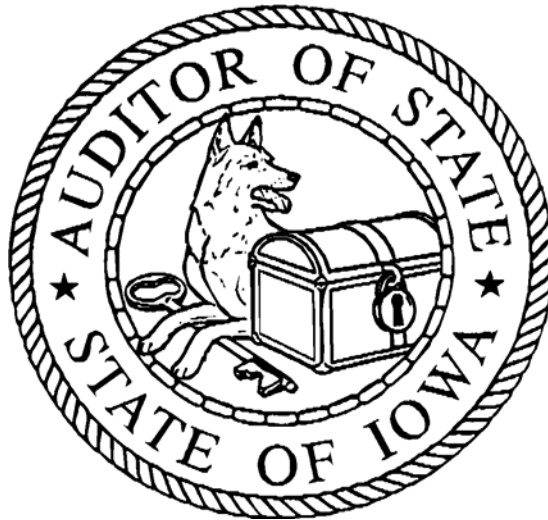


HOSPITAL AUDIT PROGRAM GUIDE SUPPLEMENT

For the year ended June 30, 2005



DAVID A. VAUDT, CPA
AUDITOR OF STATE

Supplement to Hospital Audit Program Guide

June 30, 2005

For the fiscal year ended June 30, 2005, guidance on changes and updates is provided in this 2005 Audit Program Guide Supplement. This supplement should be used in conjunction with the fiscal 2004 Audit Program Guide previously issued by this office.

Also, the 2004 Audit Program Guide previously issued by this office has several references to GASB 34 implementation. This language was not amended with this supplement since some governments may not have implemented or did not fully implement GASB 34 in prior years.

HOSPITAL _____**June 30, 2005****AUDIT PLANNING**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<i>GF-1.2 - Insert the following procedure and renumber other steps as appropriate:</i> F. Inquire as to the existence of any attestation engagements, performance audits, or other studies (for example – Federal audits, program audits, IT audits, reviews by state agencies, etc.) that have been performed and determine the current status of any findings or recommendations identified that may directly affect the risk assessment and audit procedures in planning the current audit. (GAS Chapter 4.15)	A, D				
<i>GF-1.6 - Insert the following procedure W. and renumber other steps as appropriate:</i> W. Document the auditor's consideration of the risk of material misstatement due to abuse. If indications of abuse exist, plan audit procedures to determine whether abuse has occurred and the effect on the financial statements. (GAS Chapter 4.17b)					

HOSPITAL _____**June 30, 2005****PLANNING CONFERENCE**
ENTRANCEItemsDiscussion***GF 2.2 – Revise F.1. as follows:***Discussed?

F. Auditor's responsibilities for:

1. Obtaining an understanding, testing and reporting on internal controls and compliance with laws and regulations (discussion of par. 4.12 and 4.13 of Government Auditing Standards may be helpful).



HOSPITAL _____**June 30, 2005**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<u>TRIAL BALANCE</u> <i>GF-9.1 – Insert the following procedure in C.2. and renumber other steps as appropriate:</i> 2. Determine amounts due to/from Agency Funds are eliminated and recorded as cash adjustments. <i>GF-9.2 – Delete procedures I.5. and renumber other steps as appropriate.</i> <u>INVESTMENTS</u> <i>GF-9.10 – Insert revised procedure M. as follows:</i> M. Document investment information for footnote disclosure in accordance with GASB 40 as follows: 1. Investments on hand at June 30 should be listed by type and include maturities. 2. Include the appropriate disclosures for the applicable risks: a. Credit risk b. Custodial credit risk c. Concentration of credit risk d. Interest rate risk e. Foreign currency risk <u>CURRENT LIABILITIES</u> <i>GF-9.26 – Insert revised procedure C.1.e. as follows:</i> e. Mature portion of accrued compensated absences for governmental funds. <u>LONG-TERM DEBT</u> <i>GF-9.30 – Insert revised procedure V.4. as follows:</i> 4. Distinguish between: a. Matured portion for retirement or resignation not paid at June 30 for governmental funds. b. Long-term portion 1) due within one year 2) due after one year <i>GF-9.30 – Delete procedure V.6.d.</i>	D				

HOSPITAL _____**June 30, 2005**

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<u>BUDGETS</u> <i>GF-9.49 – Insert revised procedure M. as follows:</i> M. Determine if the president and secretary certified, at its regular February meeting, the amount necessary for improvement and maintenance of the Hospital and for support of ambulance service to the County Auditor before March 15 th , in accordance with Chapter 347.13(9) of the Code of Iowa. <u>SINGLE AUDIT</u> <i>GF-9.56 – Insert revised procedure 6. as follows:</i> 6. GAO <u>Government Auditing Standards</u> (the Yellow Book), 2003 revision.					

HOSPITAL _____**June 30, 2005****OPINION, DISCLOSURE AND
OTHER REPORT INFORMATION*****GF-17.1 – Insert revised form as follows:*****A. Independent Auditor's Report on the financial statements:**

1. Type of opinion rendered for each opinion unit and reason for modification of opinion, if applicable :

<input type="checkbox"/> Governmental Activities	U	Q	D	A
<input type="checkbox"/> Business Type Activities	U	Q	D	A
<input type="checkbox"/> Additional Major Fund -	U	Q	D	A
<input type="checkbox"/> Additional Major Fund -	U	Q	D	A
<input type="checkbox"/> Additional Major Fund -	U	Q	D	A
<input type="checkbox"/> Aggregate Remaining Fund Information	U	Q	D	A
<input type="checkbox"/> Aggregate Discretely Presented Component Units	U	Q	D	A

2. Reliance on opinion of other auditors properly included in the Independent Auditor's Report

Y N N/A

3. Supplemental information accompanying basic financial statements (AU 551) (check applicable):

- ☐ Include "in relation to" opinion.
- ☐ Disclaim opinion on unaudited information.
- ☐ Prior year information audited by whom and type of opinion(s) rendered (for multiple opinions, please describe in the space below):

☐ 2004 AOS Other auditors U Q D A

☐ 2003 AOS Other auditors U Q D A

☐ 2002 AOS Other auditors U Q D A

HOSPITAL _____**June 30, 2005****OPINION, DISCLOSURE AND
OTHER REPORT INFORMATION**

Y = Yes N = No N/A = Not Applicable

GF-17.3 – Insert revised form as follows:

- C. IAR on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards:
- | | | |
|---|-------------------|---------------|
| 1. Instances of material non-compliance | <u>Y</u> <u>N</u> | GF-12s |
| 2. Instances of non-material non-compliance | <u>Y</u> <u>N</u> | GF-12s |
| 3. No instances of non-compliance | <u>Y</u> <u>N</u> | GF-12s |
| 4. Reportable Conditions | <u>Y</u> <u>N</u> | <u>GF-12s</u> |
| 5. Material Weaknesses | <u>Y</u> <u>N</u> | GF-12s |
- D. IAR on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133:
- | | | |
|---|-------------------|--------|
| 1. Instances of material non-compliance | See next page | |
| 2. Reportable Conditions | <u>Y</u> <u>N</u> | GF-12s |
| 3. Material Weaknesses | <u>Y</u> <u>N</u> | GF-12s |
- E. Because this audit is being conducted under Chapter 11 of the Code of Iowa, Government Auditing Standards and OMB Circular A-133, users of the report are presumed to be aware of the conditions under which the report is issued, including the requirement of state law requiring the report to be open to the public
- F. Dollar threshold used to distinguish between TYPE A and TYPE B programs \$_____ GF-1s
- G. Hospital qualified as low-risk auditee Y N GF-1s

HOSPITAL _____**June 30, 2005****OPINION, DISCLOSURE AND
OTHER REPORT INFORMATION
SINGLE AUDIT*****GF-17.7 – Insert revised form as follows:*****NOTIFICATION LETTERS** – The following entities are required to receive an audit notification:

All pass-through entities not required to receive a copy of the reporting package (see previous page).

Circle applicable agencies:

Iowa Dept of Public Safety
Wallace State Office Building
LOCALGovernor's Office on Drug Control Policy
Lucas State Office Building
1st Floor
LOCALIowa Dept of Human Services
Division of Fiscal Management
1st floor
Hoover State Office Building
LOCALIowa Dept of Education
Grimes State Office Building
LOCALIowa Dept of Public Health
Lucas State Office Building
LOCALIowa Dept of Natural Resources
Wallace Building
LOCALIowa Dept of Elder Affairs
Clemens Building
LOCALIowa Dept of Economic Development
200 East Grand
Des Moines, IA 50309Iowa Dept of Transportation
Attn. Tom Devine
800 Lincoln Way
Ames, IA 50010Iowa Dept of Public Defense
Emergency Management Division
Hoover Building
LOCAL

List other agencies and their addresses:

HOSPITAL _____**June 30, 2005****INCHARGE REVIEW QUESTIONNAIRE**

QUESTION	YES	NO	N/A
<i>GF-22.1 – Insert revised question 4. as follows:</i>			
4. Are you satisfied that the evidence gathered does not disclose suspicion of abuse, fraud, violations of statutory, regulatory and contractual provisions, or other illegal acts other than those noted in the statutory comments of the report?			